HAMBURG/KIEL Neither an audit report nor a certificate following a review has been issued in relation to the provisional financial information for the period 1 January 2014 to 31 March 2014.

Total income of HSH Nordbank AG in the first quarter of 2014 amounted to Euro 238 million (First Quarter 2013: Euro 419 million). This decline was characterised in principal by a reduction in total assets of the Restructuring Unit, as well as one time effects in net interest income resulting from the change in computing net income from hybrid financial instruments; the effects will be compensated in their entirety by lower interest expenses until 2017. New business volume reached Euro 2.1 billion in the first quarter of 2014 and increased by Euro 1 billion compared to the same period last year (First Quarter 2013: Euro 1.1 billion).

Loan loss provisions amounted to Euro 394 million (First Quarter 2013: Euro -133 million). Net loan loss provisions prior to compensation from the guarantee amounted to Euro -59 million (First Quarter 2013: Euro -307 million) and the compensation item amounted to Euro 453 million (Q1 2013: Euro 174 million). The increase in the compensation item was characterised by the effects of the capital protection clause. After high charges due to additional fees from the guarantee in the annual financial statements 2013 – a partial dissolution in the amount of EUR 487 million was recognised to income as expected.

Administrative expense amounted to Euro -166 million (First Quarter 2013: Euro -172 million). This decline resulted mainly from continued personnel reductions.

Expenses for government guarantees amounted to Euro -129 million (First Quarter 2013: Euro -70 million). This increase resulted from a higher basis premium due to the replenishment of the guarantee facility from Euro 7 billion to Euro 10 billion, as well as a payment of Euro -29 million, representing the first quarter 2014 portion of the agreed supplementary payment of the basis premium due to the replenishment of the guarantee.

In addition, other operating income (including result from restructuring) amounting to Euro 17 million (First Quarter 2013: Euro 27 million) had a negative impact on income.
This resulted in a net income before taxes for HSH Nordbank AG of Euro 354 million (First Quarter 2013: Euro 71 million). The group net result after taxes amounted to Euro 213 million (First Quarter 2013: Euro 74 million).

As at 31 March 2014, total assets of HSH Nordbank AG remained nearly unchanged compared to year end 2013 at Euro 109 billion. The common equity Tier 1 capital ratio pursuant to Basel III transitional arrangements (phased-in) was 10% as at 31 March 2014, plus an additional buffer from the capital protection clause of 3.0 percentage points.